

Examiner's Report
LEVEL II EXAMINATION - JANUARY 2026
(204) BUSINESS MANAGEMENT

This question paper comprised of three Sections – **A**, **B** and **C** consisting of 07 compulsory questions.

SECTION A

Question No. 01

Question 1 consists of fifteen (15) OTQs. Total marks for the question number one was 25. Questions were presented covering most sections of Business Management syllabus.

In the case of sub questions **1.1** to **1.5** the most appropriate answer had to be selected, and the number of the selected answer was to be written in the answer booklet to obtain 10 Marks. Majority of candidates had selected correct answers to obtain full marks. Due to the minimal knowledge about the subject some candidates had messed up in selecting correct answers. Also, observed that some candidates have written answers in words despite mentioning the answer number.

With regard to sub question numbers **1.6** to **1.10** candidates had to select the correct answer out of two answers given in brackets to obtain 5 marks. Majority of Candidates had provided correct answers for these questions. There were some candidates who had written 1 or 2 instead of correct answer in words.

Candidates were requested to write short answers each, to the sub questions **1.11** to **1.15** for 10 marks. But most of the answers were NOT in short form. There were many alternative answers for these 05 questions & allocated marks accordingly. Also, it was noted about small number of candidates in all three mediums has totally evaded answering **1.11 - 1.15**.

- 1.11** Candidates were required to state two requirements for a successful brand. Although the majority of candidates attempted this correctly, others failed to provide accurate answers such as relevance, clarity, coherence, and consistency. Some candidates wrote the advantages of a successful brand instead of stating the requirements.
- 1.12** When stating two characteristics of Bureaucratic Management Theory, it was observed many had failed to provide satisfactory answers such as specialization, hierarchy, conditions, impersonality, public / private divisions. However, marks were given for every acceptable answer.
- 1.14** Candidates were required to briefly explain “Marketing Management.” An average number of candidates provided correct answers, though some answers were either too lengthy or too short. The use of correct definitions was limited, and many candidates provided incorrect definitions.

1.15 Candidates were asked to briefly explain the “Dual Responsibility of Human Resource Management.” Most candidates disregarded the question, while some provided no explanation or gave incorrect explanations.

Overall performance for this question was at satisfactory level.

SECTION B

This section comprised of 05 compulsory questions each carrying 10 marks with a total of 50 marks. The performance level of majority of the candidates for these 5 questions was at an average level. It was noted that some candidates had not written answers for some of the questions and few candidates had given unsatisfactory answers for some of the questions.

Question No. 02

This Question comprised three parts, **(a)**, **(b)** and **(c)**.

- (a)** Candidates were required to state the steps of the Rational Decision-Making Process. A few candidates provided explanations that were not relevant to the question. In some instances, the term “decision” was incorrectly used instead of “problem.” This was a straightforward question, and most candidates who attempted this part were able to obtain the allocated marks.
- (b)** This question required candidates to explain how planning helps in the decision-making process of **Tech Solutions (Pvt) Ltd**. Although it was a direct and easy question, some candidates provided poor answers. Many candidates did not identify that planning facilitates decision-making, indicating that their knowledge of management concepts is not adequate.
- (c)** The question required candidates to state **four (04) principles of planning**. Most candidates failed to answer this question. An average number of candidates either avoided answering this part or provided only one or two points. Some candidates attempted the question without understanding it and gave incorrect answers.

Overall performance for this question was at satisfactory level.

Question No. 03

This question too comprised parts **(a)** and **(b)** only.

- (a)** The question required candidates to explain three (03) reasons why motivation is important for **BrightTech Ltd**. The majority of candidates demonstrated a basic understanding of motivation; however, others lacked a clear understanding and failed to relate their answers to **BrightTech Ltd**.

Precise answers such as increased productivity, ensuring organizational efficiency, fostering a loyal and responsive workforce, and facilitating direction were expected. A few candidates, without properly understanding the question, wrote about consumer motivation related to the product.

- (b) The question required candidates to explain two ways in which digital marketing can be used by **BrightTech Ltd.** to regain its competitive position. Only a limited number of candidates provided accurate answers and obtained the allocated marks, while many showed a lack of knowledge of digital marketing strategies. Some responses were focused on the advantages of digital marketing rather than addressing the competitive position, and many answers were limited to social media marketing. In addition, some candidates did not properly understand the question, merely stated points without explanation, or did not attempt the question.

Overall performance for this question was at a satisfactory level.

Question No. 04

Question comprised of parts (a), (b) and (c) for 10 marks.

- (a) Candidates were asked to state four (04) benefits of a good organizational structure for **SilverLine Ltd.** The majority of candidates obtained the allocated marks by providing correct answers. However, some candidates repeated the same answers multiple times, and many confused the concepts of management and organizational structure. There were few candidates who had provided alternative answers without reading the question accurately.
- (b) The question required candidates to explain two (02) reasons why operations management is important for the success of **SilverLine Ltd.** The majority of candidates provided acceptable answers. However, candidates demonstrated a weak ability to distinguish between management and operations management. In some responses, they merely stated a reason without providing a clear explanation, and some candidates included irrelevant information, for which marks could not be awarded.
- (c) In general, candidates provided answers related to the benefits of management. However, the same benefit was often repeated in different forms, and many responses lacked clarity and proper structure. This indicates that candidates struggled to present comprehensive, well-organized, and accurate explanations, and there was limited demonstration of deeper understanding of management concepts.

Overall performance for this question was at average level.

Question No. 05

Question comprised of parts (a), (b) and (c) for 10 marks.

- (a) The question required candidates to explain the difference between a Job Description and a Job Specification. A below-average number of candidates provided correct answers, and many demonstrated little or no understanding of the concept of a Job Specification.
- (b) Candidates were asked to explain two (02) reasons why an effective performance appraisal system is important for **Nova Textiles**. Although many candidates attempted this section, it was observed that responses were not clearly aligned with the question. Most candidates demonstrated poor ability to relate their answers to the given scenario, and explanations of their points were generally insufficient.
- (c) The question required candidates to state three (03) reasons for resistance to change by employees of **Nova Textiles**. The majority of candidates provided correct answers such as uncertainty, threat to self-interest and power, different perceptions, feeling of loss, fear of failure. However, some candidates focused only on IT system changes, neglecting other possible reasons for resistance.

Overall performance for this question was at a satisfactory level.

Question No. 06

This was a question set to test the candidates' knowledge on strategies, leadership, factors to be considered in controlling by **Zenith Ltd**.

- (a) The question required candidates to explain two (02) intensive strategies used by organizations. Overall performance was poor. Some candidates provided answers that were not relevant to the given scenario, reflecting a lack of understanding of the question. Very few candidates obtained the allocated marks. In addition, many candidates did not correctly identify intensive strategies, resulting in incomplete answers due to a limited understanding of the subject matter.
- (b) The question required candidates to explain the difference between Transformational Leadership and Transactional Leadership. The majority of candidates had little, or no understanding of Transformational Leadership compared to Transactional Leadership. Explanations provided were often unclear or incorrect. Successful answers were not provided, as candidates demonstrated some understanding of leadership but failed to recognize or explain the differences between the two styles.

- (c) The question required candidates to state three (03) factors to be considered in controlling by **Zenith Ltd.** The majority of candidates provided poor answers that did not take the given scenario into account. Many failed to accurately identify what the question was asking, which prevented them from providing successful responses or obtaining marks.

Those who obtained marks had written correct answers such as:

- Planned objectives.
- Ability of absorption of complexity.
- Compatibility with organizations side and structure.
- Level of motivation.
- Expectations of the management.
- Cost effectiveness.

Overall performance for this question was at an average level.

SECTION C

Question No. 07

Questions were based on a case study with regard to **Moon Hotels PLC** to test few aspects of hospitality industry in Sri Lanka. Total marks allocated were 25. Question consisted of 5 parts (a), (b), (c), (d) and (e).

- (a) Candidates were required to state three (03) leadership excellence factors required by a leader in the modern era. Many candidates provided accurate answers for this part. However, a few candidates focused on general aspects without relating them to the modern era. In addition, some responses listed leadership tasks, qualities, or skills instead of the required leadership excellence factors.
- (b) The question required candidates to explain three (03) important roles to be performed by a leader in **Moon Hotels PLC**. Many candidates answered incorrectly, providing poor responses. This was a straightforward question, and candidates were expected to score better with precise answers. Some candidates listed management roles described by Henry Mintzberg instead of the key roles expected of a leader. As a result, their responses were weak, and marks awarded were low.
- (c) The question asked candidates to explain three (03) reasons why effective marketing is important for **Moon Hotels PLC**. Overall, performance was satisfactory, with the majority of candidates achieving the full allocation of six (06) marks.
- (d) The question required candidates to state four (04) consequences of a wrong employee selection decision with reference to **Moon Hotels PLC**. Overall, performance was satisfactory, with the majority of candidates providing appropriate answers.

- (e) The question required candidates to explain three (03) ways in which a strategic plan will help **Moon Hotels PLC** to achieve its goals. Many candidates lacked a proper understanding of the key points emphasized, resulting in unsatisfactory performance for this part. Only a very few candidates provided precise answers and obtained the full allocated marks.

Overall performance for this question was at a satisfactory level.

Common factors to be considered in order to improve the level of understanding and competency level of the candidates:

- (1) Go through the syllabus/study pack thoroughly.
- (2) Upon receiving the question paper, read instructions carefully (Extra time allocated for this purpose).
- (3) Candidates should read the question several times and understand what needs to explain. When a direct answer is expected answers should be precise. Writing unnecessary explanations and details should be avoided.
- (4) Answers should be in one language only. This is the language to be used when applying to the examination and answers to each question number should begin in a new page of the answer booklet.
- (5) Manage the time efficiently at the examination.
- (6) Before handing over the answer booklet to check twice that all question numbers and the Index Number is written correctly.
- (7) The “Action Verb Check List” is included at the end of the question paper. Each question other than OTQs; begin with an Action Verb. Candidates should write the answers based on the definition given in that list.
- (8) Ensure that the handwriting is at a legible level and question numbers are properly stated for each of the answers.
- (9) Reading of Self-Study Text published by AAT, Articles and Magazines, etc. is desirable.
- (10) Study and practice answering past question papers and Pilot Papers in order to improve knowledge.
- (11) Face the examination positively with a firm determination of passing it.

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